

Straight Talk About Transportation

December 2002



The only choice is a better plan grounded in a higher level of public trust

- **Yes and no voters on Referendum 51 overwhelmingly agreed on one thing: *transportation will get worse if we don't do something.***
- **Better understanding about what can be done and what can be paid for must be achieved with citizens across the state.**
- **The people want a plan that can be matched to solutions.**
- **The people want leadership that results in action.**
- **WSDOT's accountability efforts are headed in the right direction but must be substantially reinforced.**

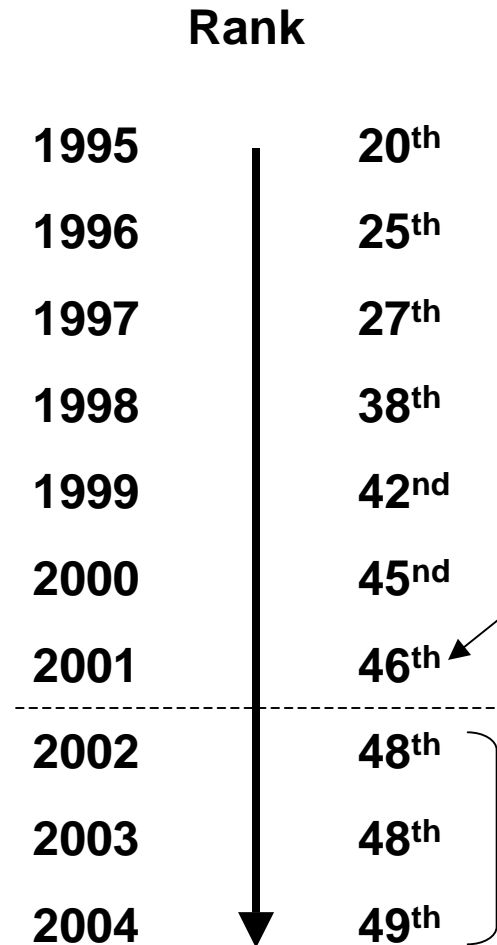
The crisis is real: freefall is an ugly picture

Since 1995, Washington State capital outlays for highways (including ferries) as reported by USDOT have been in freefall relative to other states.

Source:
1995 – 2001 US DOT.

2002-2004 projected data for WSDOT after R- 51 defeated
(assumes no population change in other states for 2002-2004)

Tacoma Narrows Bridge not included.



- In 2001 WSDOT spent **\$120** per person on highway system capital investment.
- National median was **\$169**
- Washington was **71%** of the median.

The trust / accountability issue is a huge barrier to moving forward.

- **This issue is bigger than Washington State, bigger than transportation, and much bigger than WSDOT.**
- ***It is also undeniably about WSDOT, too.***

Our accountability approach for the last eighteen months:

Better information.

Specific answers to specific questions.

Project delivery – the record.

The basic accountability questions directed at WSDOT.

“ WSDOT can’t be trusted to do what it is supposed to do.”

“WSDOT’s costs are too high and projects are never done on time or on budget.”

“The gas tax is the highest in the country, there’s plenty of money, and there’s nothing to show for the past ten years.”

“Prove that you are efficient and that people are made accountable for screw-ups before we give you more money.”

“Why can’t the public get performance audits?”

See Appendix 1. Meanwhile.....

Here is a new and unprecedented twenty-one project report card (11/13/02)

WSDOT 2002 Construction Project Highlights

Project Name	Location	Schedule	Cost	Comments
I-5 Tukwila to Pierce County Line HOV Lane – Stage 3	King County	Good	Fair	Completed seven days ahead of schedule and is expected to come in about 8% over the engineer's estimates of \$28 million.
SR 500 Thurston Way	Vancouver	Good	Good	This is the state's first design build project. It was completed on schedule and on budget (\$22.7 million).
SR 16, Sprague Avenue to Snake Lake	Tacoma	Poor	Poor	Deficiencies in the plan required redesign work and extended the project construction schedule by about 90 working days. The project is expected to come in about 12% over engineer's estimates of \$15.2 million.
I-5 Widening, 93rd Avenue to Maytown	Thurston County	Good	Good	Completed on time and approximately 6% under the \$8.5 million engineer's estimate.
SR 529, Steamboat Slough	Everett	Good	Mixed	Completed ahead of schedule and 58% over the \$8 million engineer's estimate.

The immediate objective: we should have a ten-year plan for transportation capital investment in this state

Kinds of projects people want:

- Safer and better highways to carry people and goods.**
- **Special highway projects to relieve or forestall gridlock and congestion.**
- **Stronger transit service.**
- **Mobility programs for people who can't drive.**
- **City and county road improvements.**
- **New ferry vessels and system improvements.**
- **Rail service improvements for freight and Amtrak service.**

Sources of money we have:

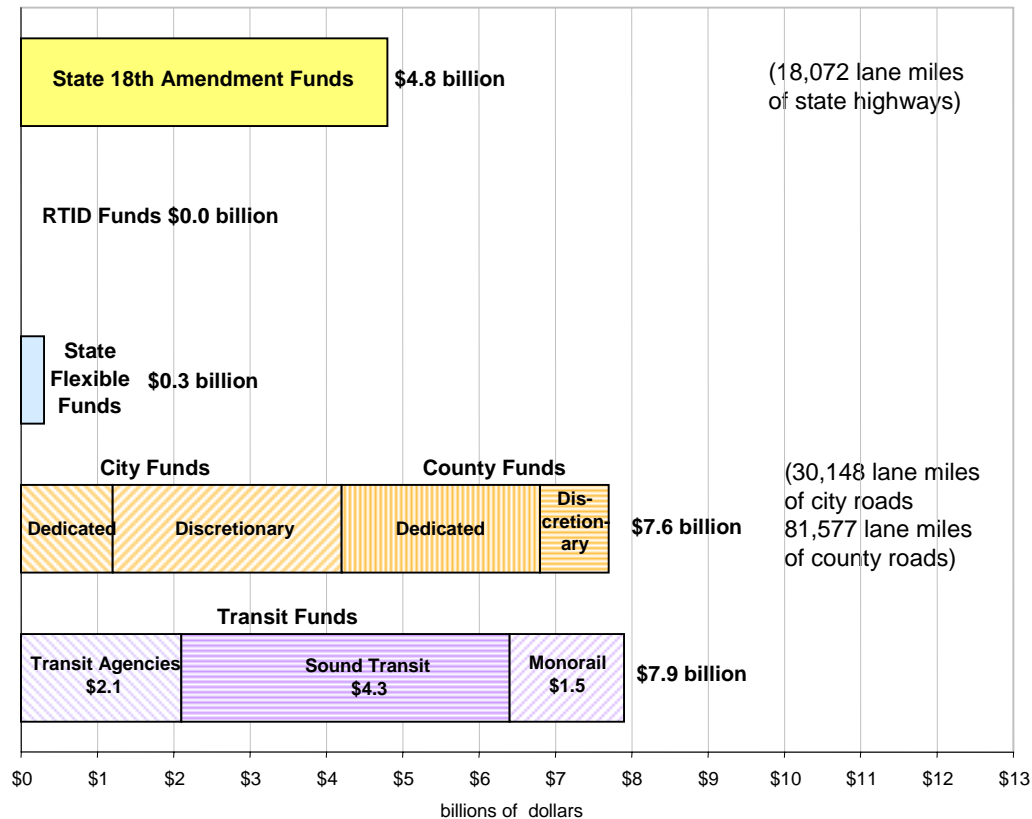
- **State Gas Tax and other 18th Amendment sources and state use of federal funds.**
- **Regional Transportation Investment Districts (RTID), including tolling.**
- **State “Flexible” Sources.**
- **City and County Resources.**
- **Transit – including Sound Transit and ETC (monorail).**

What can we do over the next 10 years with current amounts available for capital investment?*

As matters now stand, here is what is available for the next ten years —

- Preservation investment in highways and ferries; very few new highway additions. →
- No special funding for regional needs. →
- Little rail capital investment; limited support for passenger-only ferries. →
- Funds for city and county roadway and non-roadway transportation systems preservation and improvements. →
- Funding for transit projects and investments supported by local voters. →

Existing 10-Year Capital Funding Capacity



***This is capital investment only.**

How would this compare to the previous decade?*

Here is how available amounts for the next ten years compare to what was invested roughly over the previous decade (1991-2002)

For example, WSDOT Capital Projects
1991 - 2002

Highway Preservation

- Refurbishment of rest areas, stabilizing slopes, improving drainage & managing mechanical systems for safe & efficient highways
- Washington State Ferries - investment in new ferries, rehabilitation and terminal improvements
- Passenger and Freight Rail

Highway Improvements

- Corridor Improvements
- 155 miles of the HOV Lane System
- Interchanges & Intersection Improvements
- Safety-specific projects
- 15,000 lane miles of paving & rehabilitation
- One new bridge & major repair & replacement of dozens of others

Total

millions of
dollars

\$420

951

121

2,707

878

447

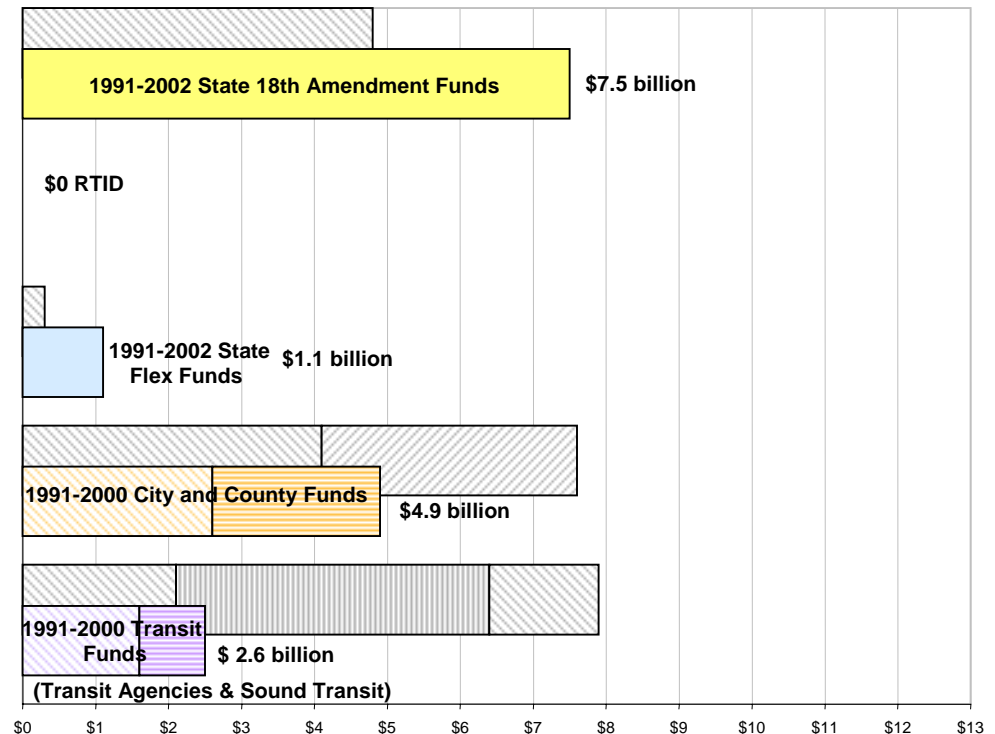
672

1,418

920

\$8,534

Historical Capital Funding Capacity



***Capital investment only.**

This picture is consistent with WSDOT's budget projections filed August 14, 2002 with Governor Locke and discussed with the legislature and the public.

WSDOT Funds by Source and as Allocated to Operating Expenses and Capital Investment: 2001-2003 Biennium compared to 2003-2005 Biennium (millions of dollars)

2001 - 2003

Cash Balance	\$ 188 m
State Revenues	\$ 925 m
Ferry Fares & Concessions	\$ 227 m
Total State Funds	\$1,340 m
Bonds	\$ 499 m
Bonds - Tacoma Narrows	\$ 800 m
Federal	\$ 730 m
Local	\$ 60 m

2003 - 2005

Cash Balance	\$ 28 m
State Revenues	\$ 976 m
Ferry Fares & Concessions	\$ 258 m
Total State Funds	\$1,262 m
Bonds	\$ 245 m
Federal	\$ 658 m
Local	\$ 41 m

\$2,206 m

\$3,428 m

Operating
\$ 936 m

\$ 898 m
\$ 34 m
\$ 4 m

Capital
\$2,492 m

\$ 441 m
\$ 499 m
\$ 800 m
Tacoma Narrows
\$ 696 m
\$ 56 m

Operating
\$ 992 m

\$ 963 m
\$ 25 m
\$ 5 m

Capital
\$1,214 m

\$ 300 m
\$ 245 m
\$ 633 m
\$ 36 m

Note: Operating budget includes compensation adjustments and unanticipated receipts for 2001-2003.

Note: Operating budget includes estimated compensation adjustments for 2003-2005.

2001-2003

2003-2005

Preservation Program:

- Re-pave about 80% of "lowest life cycle" standards excluding I-5 and I-90.
- Preservation bridges and structures at 95% level.
- Replace the east half of the Hood Canal Bridge.

Ten-Year Outlook

\$2.9 billion

Improvement Program:

- Invest \$1.0 billion over ten years in highway additions and improvements (as compared to \$ 5.0 billion in 1991 – 2002).

\$1.0 billion

Washington State Ferries:

- Investment in new ferries would await "internal financing" in about year seven from proposed business plan.
- Investments of \$888 million will be limited to terminal, and vessel preservation (as compared to \$950 million in 1991-2002).

\$0.9 billion

This would mean Washington State would rank almost at the bottom of the 50 states at about \$80 per person per year in roadway and ferry system capital investment. (Not including Tacoma Narrows Bridge)

\$4.8 billion

People want attention paid to many other transportation issues to support the economy and preserve quality of life

Safer, less congested state highways

- Improvements to correct 25%, 50%, 75% of high accident locations and high accident corridors?
- Remove bottlenecks on Interstate freeway system for freight access and reliable travel times?
- Add highway capacity to accommodate new travel demand and ease or forestall gridlock?

Better transit and vanpools service

- Complete Puget Sound HOV lane system?
- Expand urban Park and Ride lot system?

Fully adequate investment in preservation of existing highways

- Keep asphalt pavements in good condition at lowest cost?
- 10, 15, or 20 year correction program for concrete I-5 and I-90 pavements?

Bridge retrofits for protection against earthquakes.

- Strengthen or replace most vulnerable and heavily traveled bridges first?

New ferries to and other ferry system improvements

- New auto ferries to replace obsolete vessels?
- Passenger ferries?
- Preserve and make improvements to terminals?

Success of RTID has to be a key to this picture

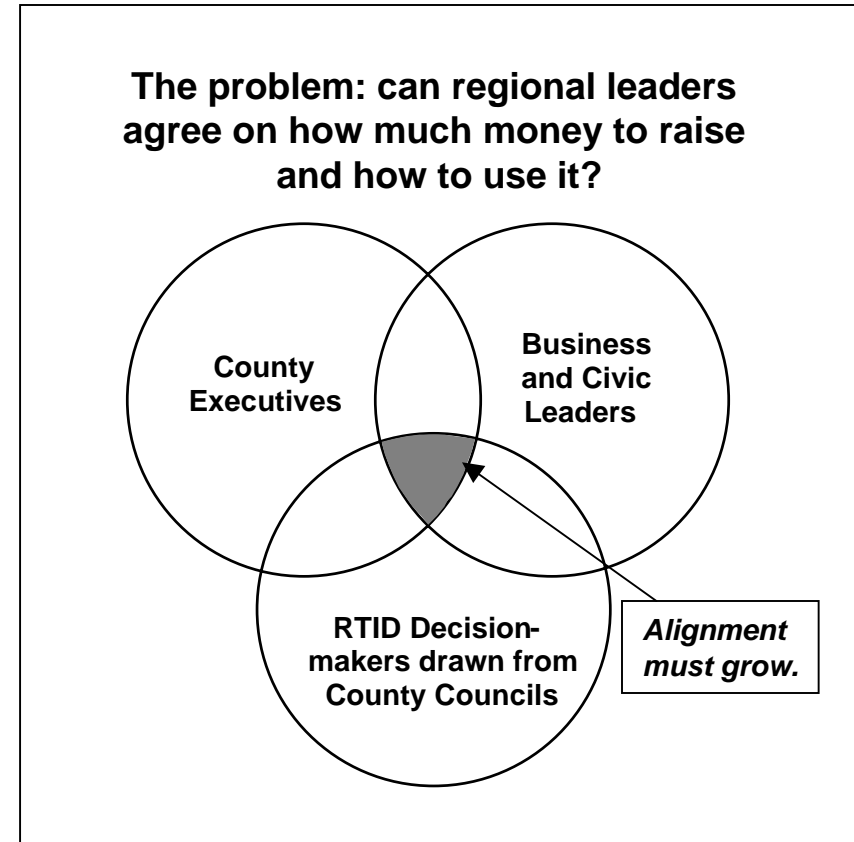
- **Regional leaders should commit to making RTID work**

Significant local option taxing authority is already legislated.
(As much as \$11+ billion of fiscal capacity)

Local control over local project selection and programming.

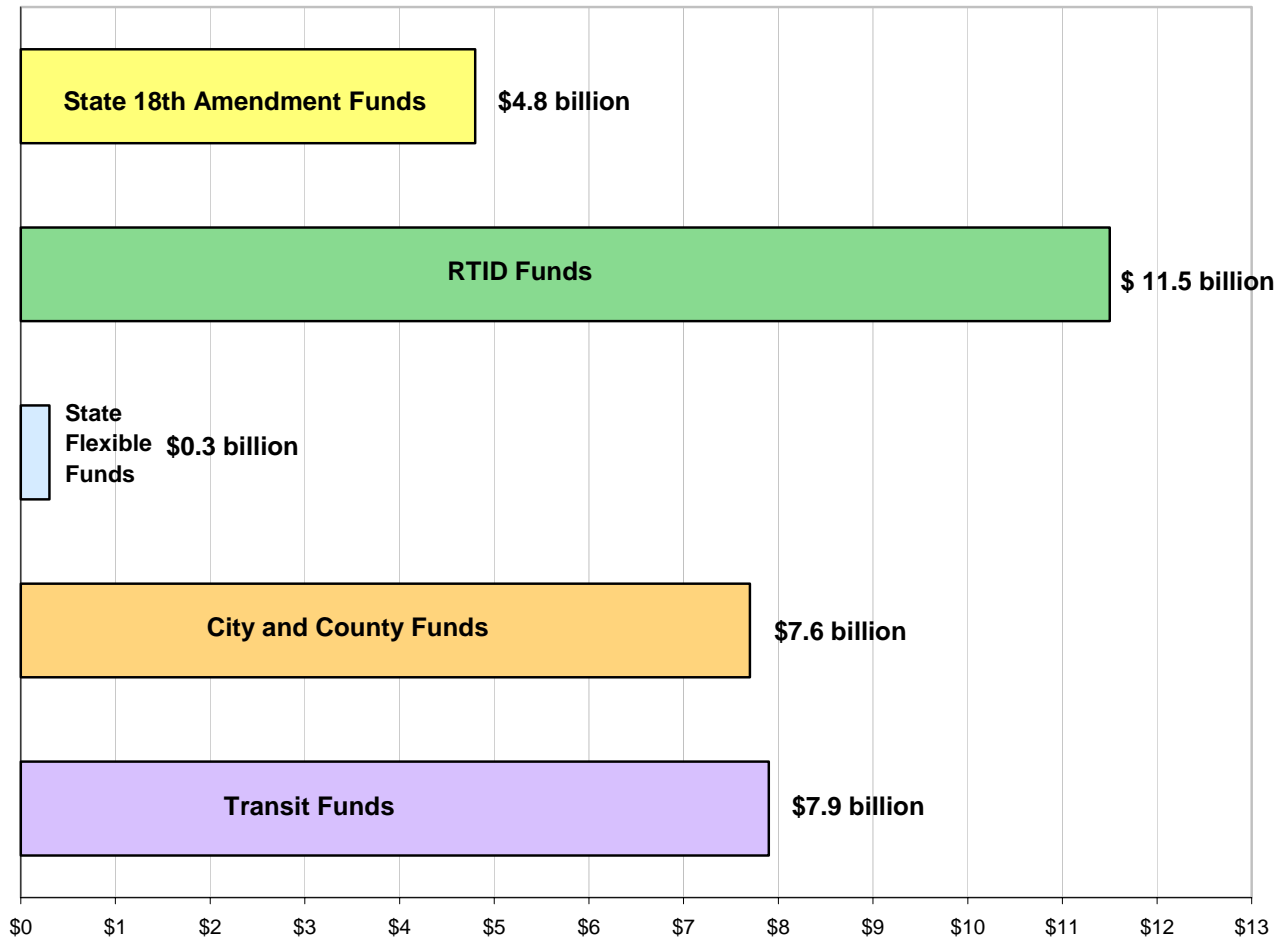
- **A local option gas tax? Maybe.
But what difference will that make
unless workable RTID decisions
can emerge.**

6¢ gas tax increase in King, Snohomish and Pierce counties would support about \$1.5 billion or less in capital improvements over the next 10 years.



Then, with RTID the ten-year investment pro forma could begin to look like this:

Here's the new 10-year funding capacity



The success of RTID is much likelier if it is supported by a statewide transportation strategy.

For example, what results from modest enhancement 18th Amendment revenues subject to a “fairness to region of origin” distribution.

- ☐ Citizens want a fair share of their own taxes to address their own problems.
- ☐ A guaranteed level of regional return with a “set-aside” for projects of larger-than-region significance? (California, for example, does this)
- ☐ Preservation of existing systems across the state must be a priority.

Equitable Distribution of Net Revenues Available to Support Capital Investment That Assures Fair Return to Region of Tax Origin* dollars in millions • Ten-Year Summary (2004-2013)					
Region/County	Net Revenues to Support Capital Investments 18th Amendment	30% Pooled for Highways of Statewide Significance	70% Return to Region of Origin	Rough Estimate of Regional Preservation Needs	After funding preservation, what's left over from the amount returned to support system additions?
Eastern Adams, Ferry, Lincoln, Pend Oreille, Spokane, Stevens, Whitman	\$763	\$229	\$534	\$475	\$59
North Central Chelan, Douglas, Grant, Okanogan	351	105	246	340	(94)
North West Island, King, San Juan, Skagit, Snohomish, Whatcom	3,728	1,118	2,610	1,175	1,435
Olympic Clallam, Grays Harbor, Jefferson, Kitsap, Mason, Pierce, Thurston	1,866	560	1,306	870	436
South Central Asotin, Benton, Columbia, Franklin Garfield, Kittitas, Walla Walla, Yakima	802	241	562	750	(188)
South West Clark, Cowlitz, Klickitat, Lewis, Pacific Skamania, Wahkiakum	856	257	599	650	(51)
Total	\$8,367	\$2,510	\$5,857	\$4,260	\$1,597
* Assumes 3¢ gas tax increase in 2003, indexed thereafter to the construction cost index and a 20% gross weight fee increase in 2004 updated 11/22/02					

That's a program worth urging in the Puget Sound area for RTID and in Olympia for the sake of RTID and the rest of the state

Regional decision making and regional funding for regional needs.



Statewide programs to begin addressing deferred investment and support regional programs.



Return to “region of origin” fairness test.



The beginnings of a plan, as opposed to a “nickel in Olympia” repackaging of Referendum 51 approach.

What will WSDOT and the Transportation Commission do now?

The Transportation Commission shall ... propose policies to be adopted by the legislature designed to assure the development and maintenance of a comprehensive and balanced statewide transportation system which will meet the needs of this state for safe and efficient transportation service. RCW 47.01.071

- **The Transportation Commission and the Secretary of Transportation can provide a forum for discussion of the options.**
- **All the players must have the information they need to play. A wide range of people and interests must be heard from.**
- **Opportunities for savings, efficiencies and “do with-outs” must be considered and recommended for legislative action by the Commission.**
- **Options can be structured by the Commission and teed up soon for all legislators and all other decision contributors.**

Taking into account the entire revenue stream and all key sources of funding, resource requirements can be matched...

...to citizens' menu choices.

(For example, 18th amendment revenues.)

Plan I

Plan II

Plan III

<ul style="list-style-type: none"> • Preservation for highways and ferry system • Safety and bridge seismic projects • Immediate interstate and traffic improvement needs
\$ 7 billion over 10 years

The Blue Plate Special
for about \$118
per capita per year

<ul style="list-style-type: none"> • Preservation • More safety and bridge seismic projects • More Interstate and traffic improvement needs • Most pressing improvements to regional highways of state significance.
\$ 8 billion over 10 years

The Family Meal
for about \$140
per capita per year

<ul style="list-style-type: none"> • Preservation • More safety and bridge seismic projects • More interstate needs • Menu of improvements to highways of Statewide significance • More significant partnering with regional large project needs
\$ 10 billion over 10 years

The Full Course Surf 'n Turf
for about \$162
per capita per year

- **State Gas Tax and other 18th Amendment Sources**
 - State Gas Tax?
 - Weight Fees on trucks and other vehicle license fees?
- **Regional Transportation Investment Districts (RTID)**
 - Authorized revenue sources in ESSB 6140 subject to local votes
 - Additional HOT lanes and/or facility tolls?
- **State “Flexible Sources”**
 - Sales Tax on Gasoline?
 - Sales Tax on New and Used Vehicles?
 - Sales Tax on Highway Construction Projects?
 - Tire Taxes?
- **City and County Resources**
 - Gas Tax Distributions to Local Governments?
 - Other City/County authorized sources?
- **Transit – Including Sound Transit and the Monorail (ETC)**
 - Sales Tax Distributions to Transit Agencies for operating at capital costs for public transit?

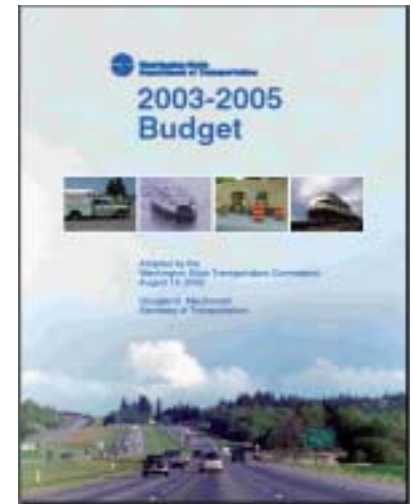
Appendix 1

Trust and Accountability

Better Information

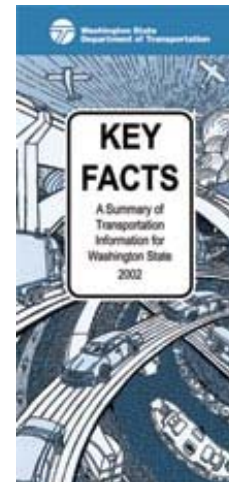
1. The New WSDOT Budget Design

For the first time, WSDOT's proposed 2003-2005 budget shows the agency's budget properly divided between operating expenses and capital investment. This long-overdue step has been welcomed by citizens, legislators, journalists and WSDOT's own staff as presenting clear and understandable spending objectives.



2. “Key Facts”

Long awaited; published in October, 2002.
A comprehensive presentation of facts about transportation systems, programs and finances in Washington State.



3. The “Gray Notebook”

Performance measures and program background information published each quarter. Secretary MacDonald’s commitment to the Transportation Commission, the legislature and the public. Already a nationally recognized standard in state DOT accountability.

“WSDOT’s Gray Notebook is second to none in the country for reporting performance measures.”

Christine Johnson
FHWA Director of Field Services
November 2002

“The Measures, Markers and Mileposts publication IS education in action. If you are not checking this out, you are missing out.”

Washington Highway Users Federation
May 2002

“These reports are among the best I’ve seen in Washington state government for using performance measurement data to tell the agency’s story.”

The Washington State Office
of Financial Management
July 2001



“MacDonald is adopting performance benchmarks within his agency, a recommendation high on the list of the governor’s Blue Ribbon Commission on Transportation last year”

Seattle P-I
November 2001

“As MacDonald’s style takes hold at DOT, we can hope for a change in perception. Accountability builds trust and candor, removes mysteries....” “The Gray Notebook... is as addictive in the same manner as a copy of the The World Almanac.”

Puget Sound Business Journal
May 2002

4. The Cost Estimate Validation Process

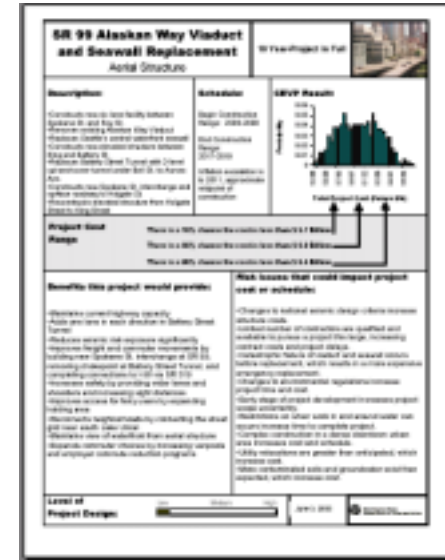
Project cost ranges that include project description, schedule, cost range, benefits, risks, and level of design. A newly developed tool to improve public understanding of the meaning of cost estimates of large public projects.

“The Transportation Department developed its new numbers through a new process called “cost estimate validation” or CEVP, which features another layer of review by outside experts. [John] Okamoto and David Dye, the agency’s Urban Corridors Administrators, characterized it as an effort to deal more openly and honestly with risks and uncertainties.”

Seattle Times
June 2002

“Giving citizens a range of costs, including full disclosure of the variables, “is not only politically smart, but it’s common sense”...”

Seattle Post-Intelligencer
June 2002



Example Project Summary
Alaskan Way Viaduct

“...transportation department effort to plan more accurately and manage money more effectively. ...So give DOT some credit for those intimidating estimates. They should show us that it’s way past time to pass a funding package and get to work. Delay will only increase the cost.”

The Spokesman-Review
June 2002

Specific Answers to Specific Questions

- 1. For example, state rankings on highway capital outlays, maintenance costs per lane mile and WSDOT administration costs.**
(see next page)
- 2. “What happened to the last gas tax increase and how come nothing was delivered in the last ten years?”**
(see *The WSDOT Project Investment Record, 1991 – 2002 in Appendix 1*)
- 3. “Are WSDOT’s highway construction costs the highest in the nation?”**
(coming soon)

State highway capital outlay per capita, state highway maintenance costs per lane mile, state DOT administration costs

Capital Outlay per Capita for Highways - 50 State Comparison						
	1995		2000		2001	
Rank	State	Per Capita	State	Per Capita	State	Per Capita
1	Alaska	\$420	Alaska	\$513	Alaska	\$467
2	Delaware	\$329	Wyoming	\$479	West Virginia	\$440
3	Wyoming	\$313	South Dakota	\$424	Delaware	\$435
4	West Virginia	\$251	Delaware	\$380	Wyoming	\$432
5	South Dakota	\$229	West Virginia	\$373	New Mexico	\$387
6	Massachusetts	\$219	Montana	\$333	South Dakota	\$377
7	Kansas	\$215	Massachusetts	\$329	Indiana	\$355
8	Montana	\$209	Utah	\$309	North Dakota	\$332
9	Rhode Island	\$194	North Dakota	\$244	Massachusetts	\$298
10	North Dakota	\$186	New Mexico	\$242	Montana	\$292
11	Nevada	\$185	Iowa	\$238	Utah	\$247
12	New Mexico	\$181	Oklahoma	\$226	Kansas	\$244
13	Connecticut	\$179	Kentucky	\$225	Kentucky	\$229
14	Hawaii	\$177	Nebraska	\$225	Oklahoma	\$225
15	Nebraska	\$169	New Jersey	\$221	Arkansas	\$224
16	Iowa	\$160	Kansas	\$219	Pennsylvania	\$222
17	Kentucky	\$145	Mississippi	\$213	North Carolina	\$212
18	Florida	\$144	Nevada	\$212	Missouri	\$211
19	Arkansas	\$142	Vermont	\$192	Colorado	\$209
20	Washington	\$140	Pennsylvania	\$189	Iowa	\$207
21	North Carolina	\$137	Arizona	\$184	Virginia	\$202
22	Virginia	\$136	Idaho	\$183	Alabama	\$188
23	Vermont	\$127	North Carolina	\$182	New Jersey	\$184
24	Louisiana	\$126	Virginia	\$180	Arizona	\$177
25	Mississippi	\$126	Louisiana	\$172	Idaho	\$169
26	Maine	\$125	Missouri	\$171	Mississippi	\$169
27	Idaho	\$121	Arkansas	\$171	Nevada	\$163
28	Georgia	\$120	Indiana	\$170	Nebraska	\$158
29	Pennsylvania	\$118	Maine	\$169	Texas	\$157
30	Missouri	\$117	Texas	\$164	Florida	\$157
31	New Hampshire	\$112	Colorado	\$163	Connecticut	\$155
32	Tennessee	\$110	Connecticut	\$162	Maine	\$152
33	Illinois	\$110	Alabama	\$162	South Carolina	\$151
34	Maryland	\$107	Florida	\$151	Vermont	\$148
35	Utah	\$106	Tennessee	\$141	Wisconsin	\$141
36	Wisconsin	\$102	Wisconsin	\$134	New Hampshire	\$139
37	Alabama	\$102	New Hampshire	\$132	Tennessee	\$138
38	New York	\$100	Ohio	\$131	Illinois	\$134
39	Oklahoma	\$99	Illinois	\$130	Georgia	\$134
40	Oregon	\$99	Hawaii	\$122	Maryland	\$132
41	Colorado	\$99	Minnesota	\$122	Louisiana	\$127
42	Arizona	\$97	South Carolina	\$120	Rhode Island	\$124
43	Texas	\$95	Georgia	\$120	Michigan	\$124
44	South Carolina	\$95	New York	\$118	Ohio	\$123
45	Minnesota	\$91	Washington	\$117	Minnesota	\$121
46	New Jersey	\$90	Michigan	\$115	Washington	\$120
47	Indiana	\$87	Maryland	\$107	Hawaii	\$119
48	Ohio	\$86	Rhode Island	\$105	New York	\$113
49	Michigan	\$75	Oregon	\$105	Oregon	\$90
50	California	\$70	California	\$76	California	\$86

Source: FHWA Highway Statistics 1995, 2000, 2001 and U.S. Census Bureau

Maintenance Costs per lane mile - 50 State Comparison						
	1995		2000		2001	
Rank	State	Cost/ Mile	State	Cost/ Mile	State	Cost/ Mile
1	New Jersey	\$37,866	New Jersey	\$40,545	New Jersey	\$49,667
2	New York	\$20,924	New York	\$22,602	Massachusetts	\$25,570
3	Rhode Island	\$14,126	Massachusetts	\$22,593	New York	\$21,751
4	Massachusetts	\$12,966	Maryland	\$16,991	Rhode Island	\$20,018
5	California	\$11,443	Rhode Island	\$16,878	California	\$16,818
6	Florida	\$11,101	Florida	\$16,033	Maryland	\$16,776
7	Alaska	\$10,960	California	\$15,812	Vermont	\$16,276
8	Maryland	\$10,381	Pennsylvania	\$12,769	Florida	\$12,985
9	New Hampshire	\$9,151	Minnesota	\$11,131	New Hampshire	\$12,633
10	Pennsylvania	\$8,662	Oregon	\$11,026	Pennsylvania	\$12,403
11	Ohio	\$8,574	Colorado	\$10,891	Colorado	\$12,391
12	Alabama	\$8,083	Alaska	\$10,410	Oregon	\$12,307
13	Illinois	\$7,747	Illinois	\$9,548	Minnesota	\$10,538
14	Colorado	\$7,612	Indiana	\$9,388	Hawaii	\$10,455
15	Michigan	\$7,510	Hawaii	\$9,290	Illinois	\$10,214
16	Indiana	\$7,377	Maine	\$9,128	Connecticut	\$10,165
17	Connecticut	\$6,940	Connecticut	\$8,818	Alaska	\$10,123
18	Oregon	\$6,677	Delaware	\$8,431	Indiana	\$9,892
19	Maine	\$6,511	Michigan	\$8,359	Maine	\$9,848
20	Hawaii	\$6,499	Vermont	\$7,545	Delaware	\$9,625
21	Tennessee	\$6,469	Washington	\$7,464	Michigan	\$8,890
22	Vermont	\$6,380	Ohio	\$7,307	Washington	\$7,679
23	Georgia	\$5,754	Tennessee	\$6,918	Tennessee	\$7,672
24	Delaware	\$5,630	New Hampshire	\$6,545	Ohio	\$7,554
25	Virginia	\$5,563	Virginia	\$6,155	Virginia	\$6,821
26	Washington	\$5,326	Idaho	\$5,917	Utah	\$6,811
27	Minnesota	\$5,146	Utah	\$5,841	Wisconsin	\$6,006
28	Iowa	\$5,015	Texas	\$5,432	Texas	\$5,966
29	Idaho	\$4,889	Missouri	\$5,343	Kansas	\$5,558
30	Utah	\$4,847	Nevada	\$5,285	New Mexico	\$5,495
31	Arizona	\$4,799	Alabama	\$5,271	Nevada	\$5,495
32	Wisconsin	\$4,716	Wisconsin	\$5,131	Wyoming	\$5,406
33	Nevada	\$4,626	Iowa	\$5,087	Arizona	\$5,094
34	Kansas	\$4,334	New Mexico	\$5,075	Iowa	\$4,988
35	Wyoming	\$4,332	North Dakota	\$4,917	Missouri	\$4,897
36	Texas	\$4,250	Kansas	\$4,786	Oklahoma	\$4,660
37	Oklahoma	\$3,795	Arizona	\$4,774	Louisiana	\$4,545
38	Missouri	\$3,650	Wyoming	\$4,659	Idaho	\$4,493
39	Montana	\$3,633	Oklahoma	\$4,566	West Virginia	\$4,320
40	Louisiana	\$3,573	Louisiana	\$4,441	Montana	\$4,290
41	Arkansas	\$3,328	West Virginia	\$4,357	Arkansas	\$3,923
42	Kentucky	\$3,258	Montana	\$4,308	Nebraska	\$3,789
43	West Virginia	\$2,917	Arkansas	\$3,949	Georgia	\$3,566
44	North Carolina	\$2,739	Nebraska	\$3,839	North Carolina	\$3,403
45	Nebraska	\$2,723	Georgia	\$3,523	Kentucky	\$3,392
46	New Mexico	\$2,627	North Carolina	\$3,163	Alabama	\$3,351
47	Mississippi	\$2,548	Mississippi	\$3,147	South Dakota	\$2,756
48	South Dakota	\$2,256	Kentucky	\$2,922	Mississippi	\$2,579
49	North Dakota	\$2,174	South Carolina	\$2,596	South Carolina	\$2,345
50	South Carolina	\$1,476	South Dakota	\$2,209	North Dakota	\$1,784

Source: FHWA Highway Statistics 1995, 2000, 2001 and WSDOT

Note: WSDOT Maintenance Costs Do Not Include Ferry Maintenance Costs

Administrative Cost Comparison as a % of Capital Outlay & Maint.		
	2001	
Rank	State	%
1	Colorado	2.1%
2	Arkansas	2.2%
3	Indiana	2.4%
4	Wyoming	2.7%
5	New Mexico	2.8%
6	Kentucky	3.0%
7	Missouri	3.2%
8	Pennsylvania	3.9%
9	Maine	4.2%
10	Maryland	4.5%
11	West Virginia	4.6%
12	Florida	4.8%
13	Iowa	5.1%
14	Alabama	5.2%
15	Georgia	5.6%
16	Michigan	5.6%
17	Virginia	5.9%
18	Alaska	6.5%
19	Idaho	6.6%
20	New York	6.7%
21	Washington	6.8%
22	New Hampshire	6.8%
23	Illinois	6.9%
24	North Carolina	6.9%
25	Kansas	7.0%
26	Texas	7.5%
27	Vermont	7.5%
28	Mississippi	8.2%
29	Massachusetts	8.3%
30	Oklahoma	8.3%
31	Nevada	8.6%
32	Minnesota	8.8%
33	South Carolina	8.9%
34	Oregon	9.1%
35	Utah	9.1%
36	South Dakota	9.2%
37	Delaware	9.5%
38	Rhode Island	9.8%
39	Nebraska	9.9%
40	Tennessee	10.3%
41	Ohio	10.6%
42	Wisconsin	11.6%
43	Connecticut	11.8%
44	New Jersey	12.2%
45	California	13.0%
46	Montana	13.8%
47	Arizona	16.0%
48	North Dakota	16.6%
49	Louisiana	23.4%
50	Hawaii	23.8%

1st Quartile:
5.2%

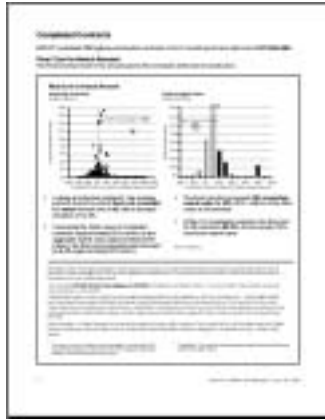
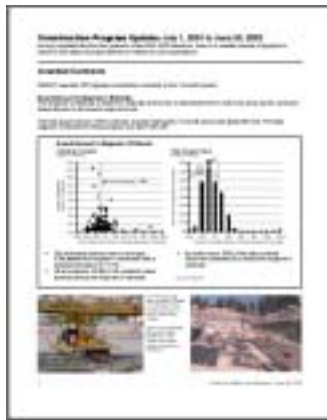
2nd Quartile
(Median):
7.2%

3rd Quartile:
9.7%

Source: FHWA Highway Statistics 2002

Project Delivery – The Record

1. Gray Notebook construction delivery reporting



2. WSDOT construction project highlights (see Appendix 1 Construction Report Card)

WSDOT welcomes performance audits: Bring 'em on.....

WSDOT is more than ready for hard-nosed performance audits by knowledgeable, outside professionals to add to:

Department of Transportation Highways and Rail Programs Performance Audit, Report 98-2, Prepared by Cambridge Systematics, Inc. for the Joint Legislative Audit and Review Committee. March 13, 1998

Department of Transportation Ferry System Performance Audit, Report 98-6, Prepared by Booz-Allen & Hamilton, Inc. for the Joint Legislative Audit and Review Committee. October 6, 1998.

New performance audits should examine:

- **Departmental competencies, strengths, weaknesses, and efficiencies.**
- **Projects and program delivery.**
- **Washington State transportation myths.**
- **Apples-to-apples benchmarking (we're already doing it!)**

Appendix 2

How business planning builds *pro forma* capital investment program

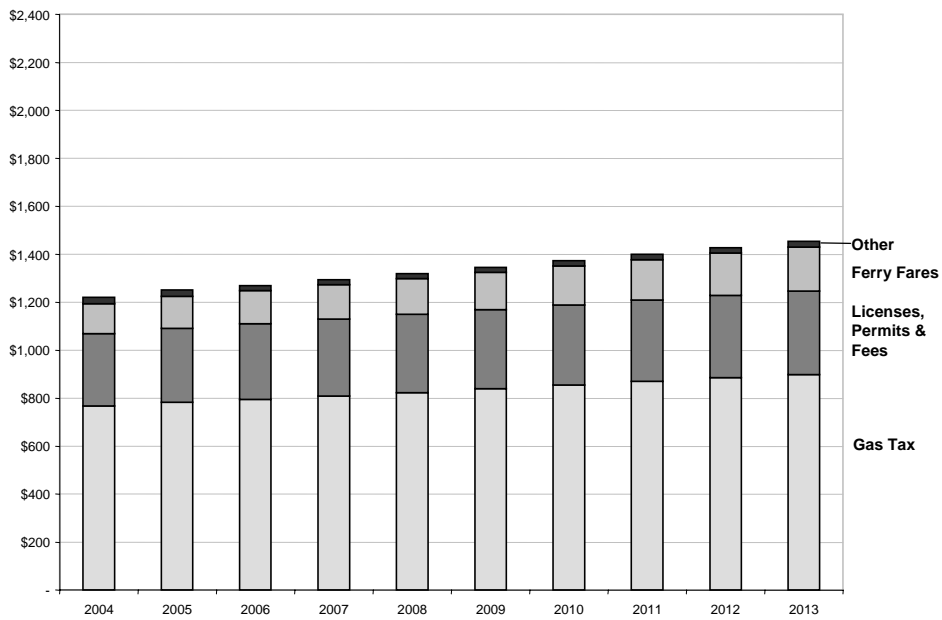
The following example is for base case, 18th Amendment sources only.

WSDOT financial plan models also can be run to show revenue enhanced cases (any options) for most sources (some still in refinement).

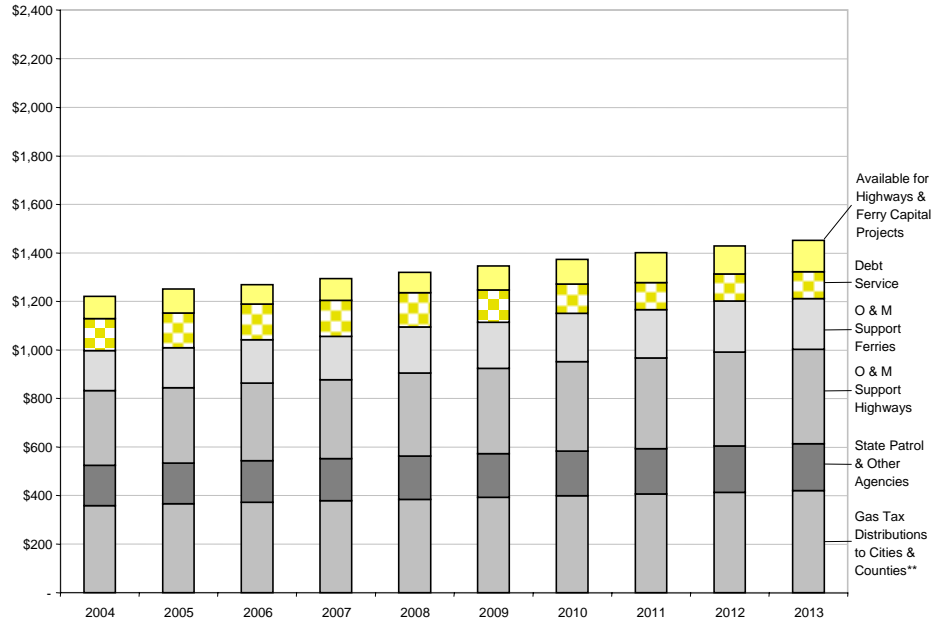
State Gas Tax and Other 18th Amendment Sources

Pro Forma Sources and Uses of 18th Amendment Revenue 2004-2013

Sources of Revenue
(millions of dollars)
current revenue



Uses of Revenue
(millions of dollars)
current revenue



Annual Revenue from Gas Tax,
Licenses, Permits and Fees and Ferry Fares*

*Includes gas tax revenue net of non-highway use refunds.
While not subject to the 18th amendment, ferry fares must be used to support ferry operations and the ferry system is considered a part of the highway system.
Toll Revenue from the Tacoma Narrows Toll Bridge are not included.

**Includes grants to cities and counties from the County Road Administration Board and Transportation Improvement Board (TIB).
A portion of gas tax distributions to TIB are committed to pay debt service.
Maintenance and operating costs for Ferries is shown separately from highways.

State Gas Tax and Other 18th Amendment Sources

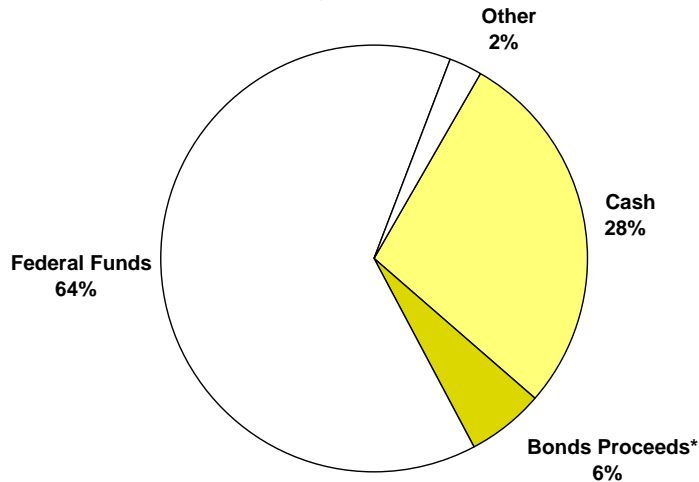
Summary of current 18th amendment funds available for capital investment.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Ten-Year Total 2004-2013
Cash	95	105	93	108	115	137	148	176	171	188	1,334
Bonds Proceeds*	122	122	19	19	-	-	-	-	-	-	283
<i>Subtotal</i>	218	227	112	127	115	137	148	176	171	188	1,617
Federal Funds	316	316	275	275	300	300	307	307	314	314	3,024
Other	33	33	10	10	5	5	5	5	5	5	115
Totals*	\$567	\$576	\$396	\$411	\$419	\$442	\$460	\$488	\$490	\$507	\$4,756

*Bond sale assumptions are stated in notes; resulting debt service is shown on previous page.
millions of dollars

Summary for 10-Year Sources

\$4.8 billion



➤ The present value of this stream of funds for investment (assuming 3% discount rate) as of July 1, 2003 is approximately \$4.1 billion

*Toll Revenue from the Tacoma Narrows Toll Bridge is not included.

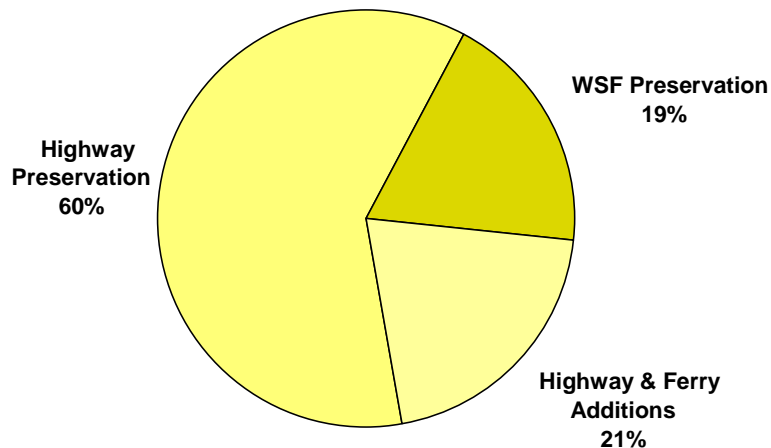
State Gas Tax and Other 18th Amendment Sources

Summary of current 18th amendment uses for capital investment.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Ten-Year Total 2004-2013
Highway Preservation	298	298	254	254	276	276	298	298	317	317	2,885
WSF Preservation	81	81	84	84	89	89	93	93	98	98	888
Highway & Ferry Additions	188	198	58	73	55	78	69	97	76	93	983
<i>Subtotal</i>	567	576	396	411	419	442	460	488	490	507	4,756
Totals*	\$567	\$576	\$396	\$411	\$419	\$442	\$460	\$488	\$490	\$507	\$4,756

millions of dollars

Summary for 10-Year Uses
\$4.8 billion



The present value of this stream of funds for investment (assuming 3% discount rate) as of July 1, 2003 is approximately \$4.1 billion

*Toll Revenue from the Tacoma Narrows Toll Bridge is not included.